

# Bay City housing market ranks fifth in affordability in nation's small markets

By LaNia Coleman | The Bay City Times

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Bay City has one of the most affordable housing markets in the country, according to a report released today by the National Association of Home Builders.

The Wells Fargo Housing Opportunity Index showed that 70.8 percent of all new and existing homes bought throughout the country in the final quarter of 2009 were affordable to families earning the national median income of \$64,000.

Bay City ranked fifth for small markets but far exceeded the national statistics. With the average median sales price of \$77,000, houses bought in the final quarter were affordable to 96.1 percent of families earning the local median income of \$56,500, the report showed.

The report didn't surprise Bob Adamowski, chief executive officer of the Bay County Realtor Association.

"This has been the case for many years," Adamowski said. "The Bay County area always has been a very, very affordable market."

Last year, Bay County nearly saw a record number of closings, he said.

"The down side of that is that our average selling price was about \$64,000 and that compares with roughly 1995 prices," Adamowski said.

Bay County's average housing cost peaked at \$106,000 in 2005, he said.

"That in itself shows that the housing market is very, very affordable," he said.

The small markets that were more affordable were Kokomo, Ind., in first; Monroe, second; Flint, third; and Lima, Ohio, fourth.

The national numbers were up from 62.4 percent for the final quarter of 2008.

"Favorable mortgage rates and sliding house prices that have now started to stabilize nationally have both contributed to a record year for housing affordability in 2009," said NAHB Chairman Bob Jones, a home builder from Bloomfield Hills.

"With interest rates still hovering at low levels and the economy beginning to rebound, the federal housing tax credit will encourage even more first-time and repeat home buyers to enter the market and help further stabilize housing and the economy by creating new jobs, stimulating home sales and reducing foreclosures." Indianapolis again was the most affordable major housing market in the country during the fourth quarter, a position the metro area now has held for four and a half years. More than 95 percent of all homes sold were affordable to households earning the area's median family income of \$68,100.

Also near the top of the list of the most affordable major metro housing markets were Detroit-Livonia-Dearborn; Dayton, Ohio; Youngstown-Warren-Boardman, Ohio-Pa.; and Akron, Ohio.

New York-White Plains-Wayne, N.Y.-N.J., continued to lead the nation as the least affordable major housing market. The New York metro area has occupied this position for seven consecutive quarters.

Slightly less than 20 percent of all homes sold during the final quarter of 2009 were affordable to those earning the New York area's median income of \$64,800.

The other major metro areas near the bottom of the affordability scale included San Francisco; Honolulu; Santa Ana-Anaheim-Irvine, Calif.; and Los Angeles-Long Beach-Redwood City, Calif.

San Luis Obispo-Paso Robles, Calif. was the least affordable of the smaller metro housing markets in the country during the fourth quarter. Others near the bottom of the chart included Santa Cruz-Watsonville, Calif.; Ocean City, N.J.; Napa, Calif.; and Santa Barbara-Santa Maria-Goleta, Calif.